



JENNIFER KENT
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

June 29, 2018

Ms. Hye Sun Lee
Acting Associate Regional IX Administrator
Division of Medicaid and Children's Health Operations
Centers for Medicare & Medicaid Services
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

Dear Ms. Lee:

In accordance with Title 42 of the Code of Federal Regulations part 438.207, the California Department of Health Care Services (DHCS) hereby submits to the Centers for Medicare and Medicaid Services (CMS) its assurance of compliance with federal network adequacy requirements for Medi-Cal specialty mental health services (SMHS).

California's SMHS are provided under the authority of a 1915(b) Waiver. The 1915(b) SMHS Waiver provides California with the opportunity to deliver Rehabilitative Mental Health Services to children and adults through a managed care delivery system. DHCS contracts with 56 county Mental Health Plans (MHPs) that are responsible for providing, or arranging for the provision of, SMHS to Medi-Cal beneficiaries who meet medical necessity criteria in a manner consistent with the beneficiary's mental health treatment needs and goals, and as documented in the beneficiary's treatment plan.

The county MHPs are classified as Prepaid Inpatient Health Plans (PIHPs) and must therefore comply with applicable federal managed care requirements. As such, each MHP must maintain and monitor a provider network adequate to serve, within scope of practice under State law, the population of adults and children/youth Medi-Cal beneficiaries eligible for SMHS. MHPs must meet or exceed network capacity requirements and proportionately adjust the number of network providers to support any anticipated changes in enrollment and the expected utilization of SMHS.

Ms. Hye Sun Lee
Page 2
June 29, 2018

In spring 2018, DHCS conducted a comprehensive review of each MHP's provider network in accordance with the annual network certification requirements set forth in Title 42 Code of Federal Regulations part 438.207. As this was DHCS' inaugural effort to certify the MHPs' provider networks, DHCS utilized this network certification review to establish baseline data for each MHP's provider network, as well as to determine targets for improving access to SMHS for Medi-Cal beneficiaries. As such, for this certification period, DHCS determined that, overall, 2 of the county MHPs pass and 54 MHPs conditionally pass the network certification requirements and will be subject to ongoing monitoring and corrective actions, as appropriate.

Effective July 1, 2018, MHPs must also comply with the appointment time standards in accordance with section 1300.67.2.2(c)(1-4), (7) of Title 28 of the California Code of Regulations. Future network certification analyses will also include compliance with timely access standards. DHCS is modifying its Client and Services Information System (CSI) to include timely access reporting elements. It is expected this first phase of the CSI reporting will begin in FY18/19.

This report serves as DHCS' assurance of compliance. It details DHCS' efforts to certify the networks in accordance with Title 42 Code of Federal Regulations part 438.207. DHCS will make available to CMS, upon request, all documentation collected by the State from the MHPs.

Please contact MHSDFinalRule@dhcs.ca.gov if you have any questions.

Sincerely,

Original signed by

Mari Cantwell
Chief Deputy Director
Health Care Programs
State Medicaid Director